

DECEMBER 12, 2012 – NOTES TAKEN BY THE SEVIER SCHOOL DISTRICT BOARD OF EDUCATION AT A WORK SESSION HELD ON DECEMBER 12, 2012, AT 10:00 AM IN THE SEVIER SCHOOL DISTRICT OFFICE.

In attendance were President Clint Johnson, Vice President Jack Hansen, members Tom Hales, Don Naser, and Richard Orr, as were Superintendent Myron Mickelsen, Assistant Superintendent Gail Albrecht, Business Administrator Patrick D. Wilson, and Executive Secretary Patricia Sanchez.

Also in attendance were Ray Bartholomew and Matt Geddes from Squire & Company Accounting Firm, District Accountant Kari Carter, Student Learning Director Cade Douglas, and patron Reece Elmer.

President Johnson welcomed everyone to the meeting.

ITEM #1. – TEN-YEAR BUILDING COMMITTEE PRESENTATION. Mr. Wilson informed the group that the building committee has held three meetings as to date and will have the fourth meeting on December 13, 2012. The committee has visited Koosharem, the North Sevier attendance area, and Richfield schools Ashman, Pahvant, Cedar Ridge, and Red Hills Middle. He shared the names of the committee members and the areas of the county they represent.

Superintendent Mickelsen commented that he had attended the meeting wherein some of the Richfield schools were visited. He praised Mr. Wilson for his professionalism and leadership and also recognized maintenance supervisor Larry Morwood for his knowledge of the buildings. He was impressed with the committee members and their dedication to accomplish the ten-year building plan.

Mr. Wilson provided a PowerPoint presentation that included the 2005-2014 Ten-Year Building Plan recommendations, a review of significant projects since 1996, current general obligation debt, three possible future general obligation debt scenarios, property tax rate history, enrollment history (projected vs. actual, current, and projected), and the current Ten-Year Building Committee meeting schedule.

INSERT A

ITEMS #2, #3, & #4. – FY 2012 AUDIT REPORT, USOE ANNUAL PROGRAM REPORT, AND USOE ANNUAL FINANCIAL REPORT. Mr. Wilson introduced Squire & Company auditors Ray Bartholomew and Matt Geddes, who are new to the District this year. He commented that change is always a little different and that it has helped the District relook and evaluate different areas. He expressed appreciation to Mr. Bartholomew and Mr. Geddes for helping the District to make improvements and was very pleased with the outcome of the audit.

Mr. Bartholomew explained that the Squire and Company Firm audit several school districts throughout the state and are currently working with 13 at this time, with most being from the Wasatch front area. He stated that their favorite audits are those from the rural areas. He explained they are required by law to look at internal controls and various compliance requirements, as well as one-third of the federal programs. This year, they selected to review the Child Nutrition Program and the Indian Equalization Program. They are also required to review state programs that are within the minimum school program, which is divided into 50 plus programs. Also reviewed are bonding, public debt, cash management, purchasing

requirements, budgeting, taxation, receiving and allocation of tax dollars from the county, record retention, retirement requirements, fund balances, and new this year, was school fees being collected at the school level. He expressed appreciation for the opportunity to conduct the audit and work with Pat, Kari, and others in the District.

Auditor Matt Geddes reviewed the *Governance Letter* with the group, which explains the process of the audit and the standards versus what the District is doing. Basically, this letter states that the audit went well and they didn't encounter any problems. He referred to pages 13-14 of the audit, which states the *Independent Auditor's Report*. This report provides the auditor to issue an opinion on the financial statements. Ultimately, the District received an "A" grade; it's a clean opinion and the best grade the auditors can give. He also expressed appreciation for the opportunity to work with the District.

Accountant Kari Carter reviewed the USOE Annual Financial and Program Reports, which is the District's financial data by fund. She explained and provided details of the expenditures and revenues in both reports.

Mr. Wilson reviewed parts of the statistical section of the audit with the group. This section contains information on financial trends, revenue capacity, debt capacity, demographic and economic, and operating information. He stated that each of the Board goals is being met. He explained that the District is dependent upon State and federal aid and that 55 percent come from the State and 14 percent from federal. Two-thirds of the General Fund funding comes from the State through some form of an equalized program, be it the Board leeway or Voted Leeway, etc. Previously, the federal government provided stimulus monies through TARP, ARRA, Title I NCLB, Special Education IDEA, and the Education Job Fund. However, federal aid dropped significantly due to these programs being exhausted. The report contains a ten-year history of average daily membership growth percentage, WPU's, staffing, high school graduates, teacher salaries, etc.

Mr. Wilson stated that all audit information could be found on the District's website. He also expressed appreciation to Kari Carter for her hard work, accuracy, and dependability in completing the audit. He also thanked other District office employees for their contributions to the audit.

Copies of the FY 2012 audit and the USOE financial and program reports are contained in the December 12, 2012, regular meeting minutes.

ITEM #5. – CLOSED MEETING. A motion was made at 11:35 a.m. by Jack Hansen and seconded by Richard Orr to take a break and go into the Closed Meeting to discuss the character, professional competence, or physical or mental health of an individual(s), negotiations, and litigation. Voting went as follows: yes – Clint Johnson, Jack Hansen, Tom Hales, Don Naser, and Richard Orr. Motion passed.

In attendance were President Clint Johnson, Vice President Jack Hansen, members Tom Hales, Don Naser, and Richard Orr, as were Superintendent Myron Mickelsen, Assistant

Superintendent Gail Albrecht, Executive Secretary Patricia Sanchez, and Accountant Kari Carter. Business Administrator Patrick D. Wilson was excused.

A motion was made at 12:01 p.m. by Jack Hansen and seconded by Richard Orr to go out of a Closed Meeting and reenter a Closed Meeting to discuss litigation and negotiations. Motion passed.

Business Administrator Patrick Wilson rejoined the meeting and Accountant Kari Carter was excused.

A motion was made at 12:05 p.m. by Don Naser and seconded by Tom Hales to go out of a Closed Meeting. Voting went as follows: yes – Clint Johnson, Jack Hansen, Tom Hales, Don Naser, and Richard Orr. Motion passed

The meeting adjourned at 1:45 p.m.

I certify that upon motion duly made, seconded and passed, the Board of Education of the Sevier School District approved the foregoing minutes on the 16th day of January 2013. I further certify that a quorum of the Board was present on both the day covered by these minutes and the day of approval.

Patrick Wilson, Business Administrator